

119TH CONGRESS
1ST SESSION

S. 1978

To require the Secretary of Defense to establish a network of regional hubs to foster innovation, collaboration, and rapid development of defense-related technologies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 5, 2025

Mr. SCHMITT (for himself and Mr. HICKENLOOPER) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To require the Secretary of Defense to establish a network of regional hubs to foster innovation, collaboration, and rapid development of defense-related technologies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Defense Technology
5 Hubs Act of 2025”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to enhance national secu-
8 rity and technological superiority by requiring the Sec-

1 retary of Defense to establish a network of regional de-
2 fense technology hubs to foster innovation, collaboration,
3 and rapid development of defense-related technologies to
4 attract talent from across the United States.

5 **SEC. 3. DEFINITIONS.**

6 In this Act:

7 (1) ANCHOR FEDERAL DEFENSE INSTITU-
8 TION.—The term “anchor Federal defense institu-
9 tion” means a defense manufacturing facility, an in-
10 stitution of higher education that engages the De-
11 partment on research, development, testing, and
12 evaluation, or a military installation.

13 (2) DEFENSE TECHNOLOGY HUB.—The term
14 “defense technology hub” means a regional hub des-
15 ignated and supported under the Program.

16 (3) ELIGIBLE CONSORTIUM.—The term “eligi-
17 ble consortium” means a consortium composed of
18 universities, defense contractors, small businesses,
19 nonprofit organizations, and State or local govern-
20 ments.

21 (4) EMERGING TECHNOLOGIES.—The term
22 “emerging technologies” means scientific and engi-
23 neering advancements with potential military appli-
24 cations as identified by the Secretary of Defense.

1 (5) PROGRAM.—The term “Program” means
2 the Defense Technology Hubs Program established
3 under section 4(a).

4 **SEC. 4. ESTABLISHMENT OF DEFENSE TECHNOLOGY HUBS**
5 **PROGRAM.**

6 (a) PROGRAM REQUIRED.—

7 (1) IN GENERAL.—The Secretary of Defense
8 shall establish a program to designate and support
9 regional hubs focused on advancing defense tech-
10 nologies critical to national security.

11 (2) DESIGNATION.—The program established
12 pursuant to paragraph (1) shall be known as the
13 “Defense Technology Hubs Program”.

14 (b) DESIGNATION OF DEFENSE TECHNOLOGY
15 HUBS.—

16 (1) SOLICITATION OF APPLICATIONS.—Under
17 the Program, the Secretary shall solicit applications
18 from eligible consortia to be designated as defense
19 technology hubs under the Program.

20 (2) SUBMITTAL OF APPLICATIONS.—A consor-
21 tium seeking designation and support as a regional
22 hub under subsection (a)(1) shall submit to the Sec-
23 retary an application therefor at such time, in such
24 manner, and containing such information as the Sec-
25 retary may require.

1 (3) CRITERIA.—The Secretary shall select eligi-
2 ble consortia for designation and support under sub-
3 section (a)(1) from among those submitting applica-
4 tions pursuant to paragraph (2) of this subsection
5 using the following criteria:

6 (A) Demonstrated capability in defense-rel-
7 evant technology areas.

8 (B) Evidence of regional collaboration and
9 stakeholder commitment.

10 (C) Presence of anchor Federal defense in-
11 stitutions or mission-critical installations of the
12 Department that support or utilize emerging
13 defense technologies, particularly in areas such
14 as geospatial intelligence, data fusion, and arti-
15 ficial intelligence.

16 (D) Existence of regional innovation eco-
17 systems with demonstrated success in
18 leveraging Federal, State, and private sector
19 collaboration, such as technology innovation
20 consortia, academic research clusters, and spe-
21 cialized defense accelerators.

22 (E) Potential to address Department-iden-
23 tified strategic priorities.

24 (F) Economic and workforce development
25 impact.

1 (4) GEOGRAPHIC DISTRIBUTION.—In selecting
2 eligible consortia for designation and support under
3 the Program, the Secretary shall ensure that defense
4 technology hubs are distributed across diverse geo-
5 graphic regions of the United States, with a goal of
6 designating at least 10 defense technology hubs be-
7 fore the date that is 3 years after the date of the
8 enactment of this Act. In considering geographic dis-
9 tribution, the Secretary may give preference to re-
10 gions with demonstrated strategic relevance to na-
11 tional security missions, including those with newly
12 constructed or expanded Department facilities and
13 intelligence community investments.

14 (c) OBJECTIVES OF DEFENSE TECHNOLOGY
15 HUBS.—The objectives of a defense technology hub under
16 the Program are as follows:

17 (1) To accelerate the research, development,
18 prototyping, and transition to operational use of
19 emerging technologies with military applications, in-
20 cluding artificial intelligence, quantum technologies,
21 hypersonics, biotechnology, and advanced manufac-
22 turing.

23 (2) To foster partnerships among components
24 of the Department of Defense, private industry, aca-
25 demic institutions, and State and local governments.

1 (3) To address regional defense technology
2 needs while leveraging local expertise, infrastructure,
3 and economic strengths, including proximity to Fed-
4 eral mission partners such as combat support agen-
5 cies and participation in existing innovation con-
6 sortia or university-industry alliances.

7 (4) To promote workforce development and
8 training programs to build a skilled pipeline for de-
9 fense innovation including partnerships with re-
10 search universities, community colleges, and voca-
11 tional programs.

12 (5) To enhance the resilience and security of
13 the defense industrial base.

14 (d) GRANTS.—

15 (1) GRANTS AUTHORIZED.—Under the Pro-
16 gram, the Secretary may award grants to defense
17 technology hubs.

18 (2) USE OF FUNDS.—A defense technology hub
19 receiving a grant under paragraph (1) shall use the
20 amounts of the grant for the following purposes:

21 (A) As seed funding for establishment of
22 the defense technology hub.

23 (B) For research, prototyping, and tech-
24 nology transition projects consistent with the
25 objectives set forth in subsection (c).

1 (C) Administrative and evaluation expenses
2 of the defense technology hub relating activities
3 under the Program.

4 (e) SECURITY AND COMPLIANCE REQUIREMENTS.—

5 (1) IN GENERAL.—Under the Program, each
6 defense technology hub shall do the following:

7 (A) Implement cybersecurity measures con-
8 sistent with Department cybersecurity stand-
9 ards.

10 (B) Ensure all research and technology
11 transfers comply with the International Traffic
12 in Arms Regulations (ITAR) and the Export
13 Administration Regulations (EAR).

14 (C) Prevent participation by foreign enti-
15 ties of concern, as identified by the Secretary in
16 coordination with the heads of the elements of
17 the intelligence community (as defined in sec-
18 tion 3 of the National Security Act of 1947 (50
19 U.S.C. 3003)) or identified in the Entity List
20 maintained by the Bureau of Industry and Se-
21 curity of the Department of Commerce and set
22 forth in Supplement No. 4 to part 744 of title
23 15, Code of Federal Regulations, and consistent
24 with existing Federal designations.

1 (D) Establish mechanisms to prevent un-
2 authorized access to sensitive defense-related
3 research and technology.

4 (2) MONITORING AND ENFORCEMENT.—The
5 Secretary shall, in coordination with the Director of
6 the Defense Counterintelligence and Security Agen-
7 cy, establish procedures to monitor and enforce com-
8 pliance with the requirements set forth in paragraph
9 (1).

10 (f) INTELLECTUAL PROPERTY MANAGEMENT.—

11 (1) GUIDELINES REQUIRED.—The Secretary
12 shall develop guidelines under the Program for intel-
13 lectual property ownership and licensing within the
14 defense technology hubs, balancing national security
15 needs with commercial incentives for private sector
16 participation.

17 (2) RETENTION OF RIGHTS.—The guidelines
18 developed pursuant to paragraph (1) shall include
19 provisions for the Department to retain necessary
20 rights for defense applications while allowing mem-
21 bers of consortia that are defense technology hubs to
22 pursue commercial opportunities as may be appro-
23 priate.

24 (g) FUNDING.—

1 (1) AUTHORIZATION OF APPROPRIATIONS.—

2 There is authorized to be appropriated to the De-
3 partment of Defense to carry out the Program
4 \$375,000,000 for the period of fiscal years 2026
5 through 2030.

6 (2) AVAILABILITY.—Of the amounts appro-
7 priated pursuant to the authorization in paragraph
8 (1), \$75,000,000 shall be available to the Secretary
9 to award grants under subsection (d).

10 (3) FEDERAL SHARE.—The Federal share of
11 support provided to a defense technology hub under
12 the Program in a fiscal year may not exceed 50 per-
13 cent of the total cost of the operations and activities
14 of the defense technology hub under the Program in
15 that fiscal year.

16 (h) ADMINISTRATION.—

17 (1) IN GENERAL.—The Secretary shall admin-
18 ister the Program through the Under Secretary of
19 Defense for Research and Engineering, in coordina-
20 tion with the Director of the Defense Innovation
21 Unit and the heads of such other elements of the
22 Department as the Secretary considers appropriate.

23 (2) WAIVER OF ACQUISITION REGULATIONS.—

24 For any project of a defense technology hub under
25 the Program that the Secretary determines has a

1 total cost of less than \$10,000,000, the Secretary
2 may waive applicable acquisition regulations to expedite development and prototyping, consistent with
3 similar authorities of the Secretary that were in effect on the day before the date of the enactment of
4 this Act.

7 (3) ANNUAL PROGRESS REPORTS.—Each defense technology hub shall, not less frequently than
8 once each year, submit to the Secretary an annual
9 progress report detailing technological advancements, partnerships, and economic outcomes.

12 **SEC. 5. COORDINATION WITH EXISTING PROGRAM.**

13 The Secretary of Defense shall ensure the Program
14 complements, and does not duplicate, existing efforts such
15 as efforts of the Defense Advanced Research Projects
16 Agency (DARPA), the Manufacturing USA Institutes, the
17 Regional Technology and Innovation Hubs of the Economic Development Administration (EDA), the Defense
18 Innovation Unit (DIU), and the Regional Innovation Engines of the National Science Foundation. The Secretary
19 shall, as the Secretary determines appropriate, align defense technology hub activities with existing defense and
20 intelligence infrastructure to maximize the use of established mission platforms and reduce redundant investments,
21 particularly in areas where new Federal campuses

1 are designed to serve as long-term anchors for defense in-
2 novation ecosystems.

3 **SEC. 6. EVALUATION AND REPORTING.**

4 (a) INDEPENDENT EVALUATIONS.—The Secretary of
5 Defense shall seek to enter into a contract with an inde-
6 pendent entity to evaluate the effectiveness of the Pro-
7 gram annually for the first 5 years of the Program, and
8 biennially thereafter, assessing technology outputs, na-
9 tional security impacts, and return on investment.

10 (b) ANNUAL REPORTS.—Not less frequently than
11 once each year, the Secretary shall submit to the Com-
12 mittee on Armed Services of the Senate and the Com-
13 mittee on Armed Services of the House of Representatives
14 an annual report detailing Program activities, defense
15 technology hub performance, and recommendations for
16 improvement to the Program.

17 **SEC. 7. EFFECTIVE DATE.**

18 The provisions of this Act shall take effect on the
19 date that is 180 days after the date of the enactment of
20 this Act.

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